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INFORMATION ON UNITED NATIONS SYSTEM TECHNICAL COOPERATION EXPENDITURE, 1996

Report of the Administrator

I. PURPOSE

1. To facilitate the work of the Executive Board, the present report (in response to Governing Council decision 81/34 of 27 June 1981) contains a summary of the technical cooperation expenditure of the United Nations system as a whole. Unlike previous years, the present report defines technical cooperation assistance to include the activities of the executing and specialized agencies, UNFPA, UNDP, UNICEF, WPF and the expenditures by the World Bank and IDA specifically directed to this end. A more detailed discussion of the issues in this report is contained in document DP/1997/30/Add.1.

2. The report, it should be noted, deals only with technical cooperation activities. As a consequence, it excludes expenditures on activities relating to refugees, humanitarian and special economic assistance, peace-keeping operations and disaster relief. A complete account of the activities of the entire United Nations system can be found in the annual report of the Secretary General on development activities.

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II. HIGHLIGHTS

3. The following is a summary of the principal issues raised in document DP/1997/30/Add.1:

Technical cooperation assistance for the United Nations system

4. Between 1982 and 1996, the United Nations system as a whole (including the World Bank and IDA) delivered, in nominal terms, $71.1 billion of technical cooperation assistance to its member countries. During this time, a period of 15 years, annual technical cooperation expenditure doubled from $3.0 billion in 1982 to $6.1 billion in 1996. However, the progression towards the doubling of expenditure has not been smooth, characterized as it was by considerable fluctuations. Over a shorter period of time, such assistance moved from $6.2 billion in 1993 to $6.4 billion in 1995, an increase of 3.4 per cent in two years. The contraction of 4.6 per cent in 1996 is due in large part to preliminary data from WHO and will probably be revised upwards next year.

5. If the World Bank Group is excluded, then the value of technical cooperation assistance from this narrower definition of the United Nations system amounted to $53.4 billion during the 15-year period. Expenditure progressed from $2.3 billion in 1982 to 4.3 billion in 1996, less than double with an irregular growth path. If a shorter time span is taken, then such assistance declined from $4.8 billion in 1993 to $4.7 billion in 1995. The rather depressed level of expenditure, $4.3 billion, in 1996 was attributable to shortfalls by UNFPA, UNICEF and to the preliminary data submitted by WFP.

Components of the United Nations system

6. After a slight contraction in 1993, total technical cooperation expenditure of the United Nations executing agencies expanded for the next two years. The available data for 1996 point to a steep shortfall of expenditure: 37 per cent, largely the result of provisional expenditure data from WHO; several other big agencies (UNFPA, UNIDO, FAO, ILO and IMO) also contributed to the contraction in 1996. On the other hand, a number of the smaller agencies recorded growth of expenditures (UNCHS, UNCTAD, ESCAP, ICAO and WMO).

7. Since 1989, extrabudgetary contributions to agencies have therefore evolved from a phase of high growth to moderate growth and, finally, to stagnation. During the four-year period 1993-1996, extrabudgetary contributions contracted only once (1994). Yet they grew by a mere 3.4 per cent: from $1,070.5 million to $1,107.1 million. This state of affairs resulted from the marginal growth of contributions from bilateral sources (which account for two thirds of total contributions) and the rather sharp contraction from multilateral sources.

8. Total expenditure by UNDP as a whole (central resources, and funds and trust funds) is distinguished by an unbroken record of growth during the past four years. Standing at $1,204.4 million in 1993, expenditure reached $1,494.3 million in 1996, which represents an overall increase of 24 per cent. A particularly strong rate of growth, almost 19 per cent, was chalked up in 1996.

9. A total of 32 programme countries each received more than $10 million worth of assistance from UNDP in 1996 (there were 21 such countries in both 1994 and 1995). The data also show that the distribution of expenditure has been shifting towards the Africa region. Cost-sharing by recipient countries themselves has grown considerably. For example, in 1993, cost-sharing accounted for 33 per cent of the expenditure from central resources; three years later, in 1996, this statistic rose to 52 per cent. The Latin America and the Caribbean region was responsible for most of the cost-sharing.

10. After recording three straight years of growth, UNFPA expenditures on field programme activities slipped by 6.3 per cent in 1996. In absolute terms, expenditures amounted to $216.5 million compared to $231 million in 1995. The data indicate that technical cooperation expenditure contracted in all regions, except Asia and the Pacific, which experienced a growth of 3.8 per cent; the contraction was steepest (19 per cent) in Latin America and the Caribbean, lightest (1.5 per cent) in the Arab States and Europe and somewhat more than moderate in Africa. However, movements of expenditure has to be seen over a two-year period for it to be meaningful (see DP/1997/30/Add.1 for details).

11. Programme expenditures by UNICEF remained at the high level of around $800 million per year during 1993-1995. In 1996 a shortfall of $119.7 million was recorded, equivalent to a 15 per cent contraction, the steepest since1982. As was the case for UNDP expenditure, Africa absorbed the largest share of UNICEF expenditure.

12. After a contraction in 1993, total contributions to UNICEF recorded a substantial growth in the following year; growth continued in 1995 although at a much subdued pace. Amounting to $910.6 million, contributions in 1996 slipped by 6 per cent, mainly because of an approximately one third reduction in emergency contributions. A sizeable portion of UNICEF contribution is derived from fund-raising efforts in the private sector (including the sale of greeting cards) and non-governmental organizations.

13. After many years of growth, very rapid in some years, the technical cooperation expenditure of WFP began to slip from 1993. The steep shortfall (21.2 per cent) in 1995 was moderated by the marginal decline (1.2 per cent) in 1996. Nevertheless, the effect of this sustained contraction was to reduce expenditure from $1,487.7 in 1993 to $1,084.9 in 1996.

14. Contributions to WFP moved up and down on a yearly basis although the downs have been steeper. The huge contraction in 1995 was followed by a small but significant gain (1.7 per cent) in the following year. Nevertheless, the level of contribution in 1996, $1,307.7 million, was somewhat smaller than in 1993, when it was $1,421.1 million. Usually, most WFP contributions are derived from a few large donor countries.

15. Technical cooperation expenditures disbursed (not committed) by the World Bank and IDA are characterized by an unbroken period of growth since 1991. The growth rates were particularly high in 1993 and 1995. In general, most of the growth stemmed from the more rapid increase in expenditure by IDA. Continued growth has permitted total assistance to move from $1,411million in 1993 to $1,831 in 1996.

16. Throughout the four-year period, 1993-1996, technical cooperation expenditure from the World Bank contracted once only. A total of $1,160.3 million, representing an increase of 6.1 per cent, was invested in 1996 to 48 member countries. Technical cooperation expenditure by IDA grew at over 16.5 per cent per year during the first three years of the period. But, like the World Bank, growth was much compressed in 1996. Nevertheless, the cumulative impact of this growth was that the expenditure by IDA moved from $473.4 million in 1993 to $670.7 in 1996.

III. EXECUTIVE BOARD ACTION

17. The Executive Board may wish to take note of the present report.

Table I. United Nations system: summary statistics on technical cooperation expenditure and contributions, 1993-1996

	1993		1994		1995		1996	
A. TECHNICAL COOPERATION EXPENDITURE	$M	% [b]	$M	%	$M	%		
1. Executing and specialised agencies	1 154.2	-1.1	1 240.8	7.5	1 270.3	2.4	800.3	-37.0
RBE	345.8	4.2	428.8	24.0	436.5	1.8	269.5	-38.3
EBE	808.4	-3.1	812.0	0.5	833.8	2.7	530.8	-36.3
2. UNDP	1 204.4	3.4	1 246.3	3.5	1 257.4	0.9	1 494.3	18.8
Central resources	1031.0	0.4	1 036.5	0.5	1 014.2	-2.2	1 231.0	21.4
Funds and trust funds administered	173.4	25.4	209.8	21.0	243.2	15.9	263.3	8.3
3. UNFPA	134.2	4.7	201.4	50.1	231.0	14.7	216.5	-6.3
4. UNICEF	803.7	8.1	800.6	-0.4	803.4	0.3	683.7	-14.9
5. WFP	1 487.7	-5.5	1 394.1	-6.3	1 097.8	-21.2	1 084.9	1.7
5. World Bank Group [a]	1 411.3	21.9	1 477.4	4.7	1 742.0	19.9	1 831.0	5.1
World Bank	937.9	25.3	914.8	-2.5	1 094.0	19.6	1 160.3	6.1
IDA	473.4	15.7	562.6	18.9	648.0	15.1	670.7	3.5
6. Total, including the World Bank Group	6 195.5	4.4	6 360.6	2.7	6 401.9	0.6	6 110.7	-4.6
7. Total, excluding the World Bank Group	4 784.2	0.1	4 883.2	2.1	4 659.9	-4.6	4 279.7	-8.2
B. CONTRIBUTIONS								
8. Agencies – Extrabudgetary	1 070.4	10.0	1 044.2	-2.5	1 093.5	4.7	1 107.1	1.3
8.1 Total bilateral	709.7	6.6	668.5	-5.8	682.3	0.9	750.6	11.3
Countries/territories	601.2	8.5	555.5	-7.6	540.0	-2.8	508.8	-5.8
NGOs	36.3	9.1	40.7	12.1	61.4	51.4	79.1	28.8
Unilateral self-supporting	72.2	-7.7	72.3	0.1	80.9	11.9	162.7	101.1
8.2 Total multilateral	360.6	17.2	375.6	4.2	419.2	11.6	356.5	-15.0
United Nations system	309.0	15.8	314.6	1.8	387.9	23.3	319.3	-17.7
Non-United Nations system	51.6	25.9	61.0	18.2	31.5	-48.5	37.2	18.1
9. UNDP	890.9	-24.4	928.4	4.2	899.8	-3.1	847.9	-5.8
10. UNICEF	843.1		956.3	13.4	968.7	1.3	910.6	6.0
11. WFP	1 450.9	-17.2	1 546.3	6.6	1285.4	-16.9	1 307.7	1.8

[a] The data for the World Bank group for the period 1993-1995 have been updated.

[b] % refers to percentage growth over previous year.